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MACHINE APPLICATIONS IN DEVELOPMENT STAGE

1. Definite advantages and both direct and intangible savings can be obtained by the application of the punched-card method of accounting, statistical and record keeping problems, and it should be the goal of every user of the method to make the most extensive use of his machines. However, it is both inefficient and uneconomical to apply the method to a problem or to a part of a problem which can be performed better by another type of business machine or in some cases, by manual methods. It is the practice of this Agency to apply or recommend the use of the method when the results of a study of existing or contemplated procedures show that savings and valuable advantages will be realized by performing all or part of the work by means of punched-cards. The results of studies made of the jobs described below show that definite advantages will be realized:

a. CIA Position Control.

Procedures for maintaining a Position Control for Personnel and Budget Accounting purposes for departmental and field positions in all overt offices have been developed and will be made effective on completion of trials now being conducted. During the trial period any defects in the procedure which appear, will be remedied so that a firm procedure may be made operative. The automatic preparation of T/O sheets will be possible as a by-product of the operation. The advantages which will be realized are as follows:

(1) A close control will be established over the assignment of personnel to established positions.

(2) The manual posting of a position control record in the Budget Office will be eliminated.

(3) At the end of the fiscal year or at any time upon request, the Budget Office will be furnished with a complete history of the occupancy of each position established in CIA. This record is required by the Bureau of the Budget in support of the request for funds for personnel services and is now obtained by laborious manual methods on the part of the entire budget staff over a period of a month. These hours of clerical time on the part of high salaried employees will be saved.

(4) The control will assure that personnel services funds are properly expended.

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(5) The Personnel Director, Personnel Officers and the Administrative Officer in each office of CIA will be furnished, on a scheduled basis, copies showing the name of the person occupying each position and all other pertinent personnel data required for proper personnel management. These reports will eliminate many clerical hours in each of the offices.

b. Physical Inventory.

The application of the punched-card method to physical inventory saves time and assures accuracy through automatic extension of the value of each item, permits the establishment of strict controls which are not feasible under a manual procedure, and greatly facilitates the work of reconciliation between physical count and stock card balances through automatic comparison of quantities, unit of issue, unit price and value. Recently, the punched-card method was applied to the inventory of stock items conducted by the Special Support Staff and resulted in a substantial saving of clerical time and accuracy of results which otherwise, could not have been obtained. The work was performed by the Machine Methods Division as a special project without additional punched-card equipment and machine personnel. The Special Support Staff now plans to physically count one-twelfth of the warehouse stock each month. The count will be written on punched-card inventory tickets which will be forwarded to the Machine Methods Division for machine processing and later tabulations of all necessary accounting reports. The above procedure will be applied to all CIA inventories if this study is approved.

c. Stock Records.

The Special Support Staff has requested that the punched-card method be applied to their Stock Record Accounting problem and a procedure has been developed. Until such time as punched-card equipment is installed under the control of the SSS, the machine operations will be performed in Machine Methods Division, OCD. The flexibility of the punched-card method, not inherent in other methods, will permit the establishment of strict controls and the automatic preparation of periodic reports and analyses which will provide definite advantages, a few of which are:

- (1) Better control over receipt and distribution of stock items.

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(2) Reduction of investment in inventories to the lowest possible point consistent with requirements, in order to insure a continuous supply.

(3) More realistic purchasing resulting from accurate facts as to stock balances and movement.

(4) Accurate quantity and value balances resulting from automatic computation which eliminates errors of manual calculation.

(5) Automatic preparation of complete and comprehensive Stock Status Reports which will simplify the checking of inventories and assure accurate cycle checking.

The same procedure will be extended to other CIA Stock Records when approved.

d. Payroll Accounting.

A punched-card procedure has been established for the SSS payroll and a trial run of this procedure has been made for several pay periods. Several changes in the original procedure have been made and it is now ready to be applied to the entire SSS payroll. A few of the definite advantages which may be realized by running the payroll on a punched-card basis are as follows:

(1) Complete control of all elements affecting the net earnings of each employee.

(2) Striking of trial balance each pay period of all elements of pay prior to the automatic preparation of Payroll Journals, Employee and Allottee checks, Individual Employee Earnings Records and Transfer Lists for posting credits to Station Pay Accounts, Insurance Accounts, Travel Advance Accounts, etc.

(3) Distribution of costs of personnel services to various stations and projects. Total of costs distributed will be automatically balanced with Payroll total for pay period.

(4) Automatic preparation, upon request, of gross earnings and tax withheld, and W-2 forms at the end of the calendar year for income tax purposes.

(5) Periodic tabulation of individual retirement credits required by the Civil Service Commission.

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(6) Payroll cards used for performing aforementioned accounting functions will be available upon request for accurate and comprehensive statistical studies and analyses of all elements of personal service costs such as overtime pay, overseas pay, living and quarters allowances, dependency allowances, advances of various types, etc. These analytical studies cannot be obtained under a manual or semi-manual method without the uneconomical expenditure of time and effort.

(7) Cost of auditing personnel service costs by individuals, stations, and projects will be greatly reduced through the ability to automatically assemble personal cost data effecting any individual, station or project.

(8) Relieve present payroll section employees of time required to prepare special reports upon request of the Director and his staff and others, thus enabling them to devote their entire time to the preparation of payroll changes.

Because of the highly sensitive nature of the Special Support Staff Payroll, it has been decided that the payroll work should not be performed on a punched-card basis until machines and operating personnel are located in L Building under the administration of the SSS.

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